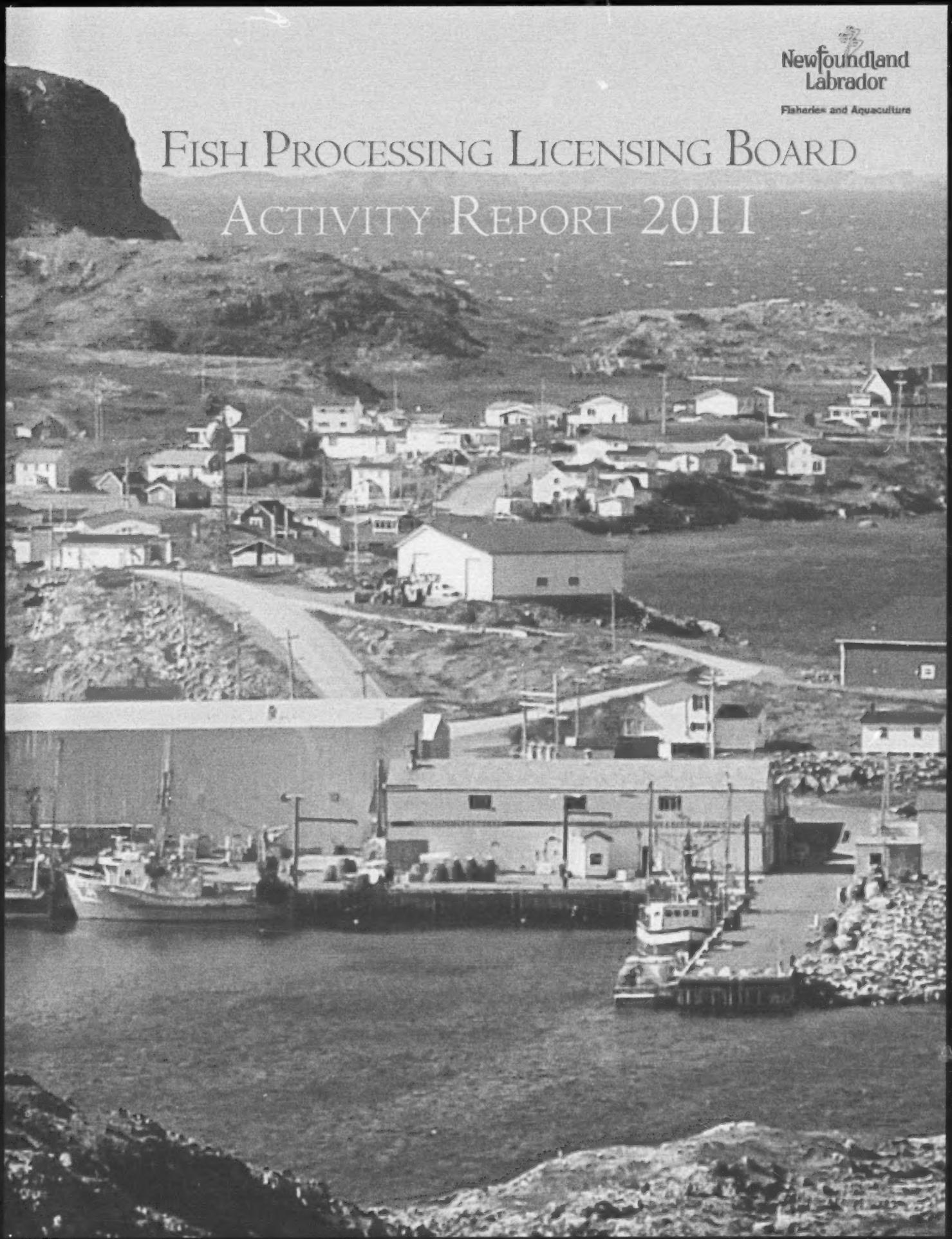
Newfoundland Labrador

Fisheries and Aquaculture

Fish Processing Licensing Board

Activity Report 2011



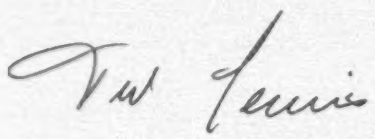
Letter from the Chairperson

In compliance with the Provincial Government's commitment to transparency and accountability, and on behalf of the Fish Processing Licensing Board (the Board), I am pleased to submit the 2011 Fish Processing Licensing Board Activity Report to the House of Assembly. The Board is accountable for the preparation of this report and the results reported herein.

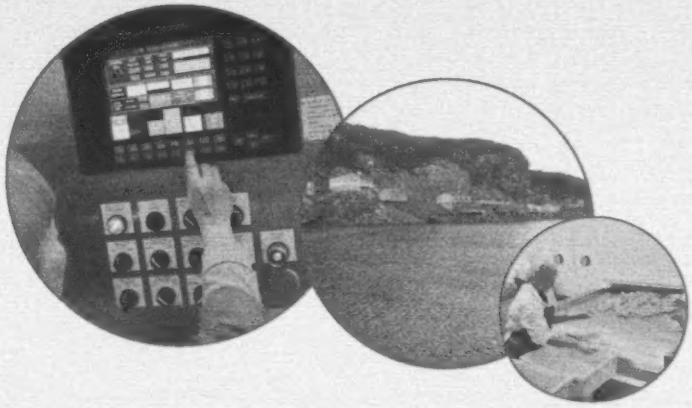
The Fish Processing Licensing Board is a public body consisting of five members appointed by the Lieutenant-Governor in Council. During 2011, the Board fulfilled its mandate to review and make public, recommendations to the Minister of Fisheries and Aquaculture on all fish processing licensing applications and appeals made to the Provincial Government.

The Board has achieved its annual objective for 2011, as set out in the Fish Processing Licensing Board Activity Plan 2011-13, through the review of 6 applications of the 20 received by the Department of Fisheries and Aquaculture. In making objective recommendations on all applications submitted for consideration, the Board contributed to the efficiency of the fishing sector and thereby to the strategic direction of the Provincial Government to "strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province."

Through adherence to provincial legislation, consideration of all comments and information received from various stakeholders, and by following the established policies and procedures set out in the Fish Processing Licensing Policy Manual, the Board has diligently assessed processing licensing applications and appeals. The Board looks forward to delivering on its mandate and advancing the fishing industry within the province once again in 2012.



TED LEWIS
Chairperson
Fish Processing Licensing Board



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1.0 Overview

The Fish Processing Licensing Board is responsible for reviewing and assessing all fish processing license proposals or requests made to the Provincial Government, in accordance with the Fish Processing Licensing Policy and the *Fish Processing Licensing Board Act*. To ensure that interested members of the public have the opportunity to provide comments to the Board with respect to fish processing license applications, applicants must advertise their intentions in both a generally circulated and a regional newspaper.

The Board's recommendations to the Minister of Fisheries and Aquaculture (the Minister) on all fish processing licensing proposals or requests are made public, as are the final decisions of the Minister. To ensure equity and impartiality, all Board members are appointed by the Lieutenant-Governor in Council.

The *Fish Processing Licensing Board Act* requires a quorum at each meeting, consisting of three members of the Board, one of whom must be either the Chairperson or Vice-Chairperson. Meetings are held to review applications or to respond to a request from any person seeking information related to an application.

In 2011, the Board met in April. The expiration of the terms of appointment for three Board members meant meetings could not be held for the balance of 2011 as a quorum was not possible. As a result, not all licensing applications submitted to the Board could be reviewed within this year. The remainder were deferred to 2012, as the appointment of new Board members is expected early in 2012.

In 2011-12, there were 123 licensed processing facilities in the province. Of these, 102 were licensed for primary processing, 3 for secondary processing, 5 for aquaculture processing and 13 for in-province retail processing. Throughout 2011, there were 20 licensing applications submitted to the Board of which 6 were reviewed. Of those reviewed, 2 were applications to add a species to an existing license, 1 was a change of operator on an existing license, and 3 were appeals.

In 2011, there were 6 applications reviewed compared to 8 in 2010. In recent years, the number of applications received by the department has declined from 29 applications in 2008 to 20 in 2011.

1.1 Vision

In its assessment of applications, the Board supports the vision of the Department of Fisheries and Aquaculture:

"The vision of the Department of Fisheries and Aquaculture is sustainable fishing and aquaculture industries that achieve their optimum economic contribution to the Province of Newfoundland and Labrador."

The Board supports the accomplishment of this vision through its provision of equitable and impartial assessments of processing license applications.

1.2 Mission

The Fish Processing Licensing Board has adopted the mission of the Department of Fisheries and Aquaculture:

"By March 31, 2017, the Department of Fisheries and Aquaculture will have supported both the strengthening of the fishing industry and the expansion of the aquaculture industry to create sustainable and economic opportunities for the province."

The Fish Processing Licensing Board has contributed to the achievement of this mission through its provision of objective recommendations to the Minister regarding license applications.

1.3 Mandate

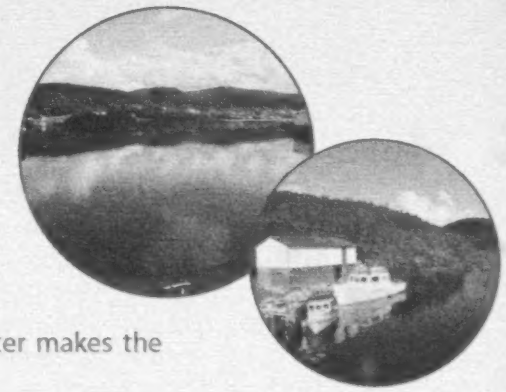
The mandate of the Fish Processing Licensing Board is to make public recommendations on all fish processing license proposals or requests made to the provincial government. Only the routine renewal of fish processing licenses is exempt from this process.

In keeping with its mandate, the Board's main objectives are to assess and make recommendations to the Minister of Fisheries and Aquaculture regarding:

- Licensing applications, including applications for new licenses, change of operator, and the consolidation and transfer of fish processing licenses;
- Applications for the addition of new species to existing fish processing licenses and, where appropriate, recommendations regarding licenses on a regional basis;
- Corporate concentration, merger and acquisition issues in the context of fish processing licensing matters; and
- Appeals to reinstate licenses cancelled as a result of not meeting the activity requirements outlined in the Fish Processing Licensing Policy Manual.

The Board is also subject to other objectives which the Minister may determine. For other related powers and duties of the Board, refer to Appendix A.

1.4 Lines of Business



The Fish Processing Licensing Board reviews all requests for new fish processing licenses, transfers of licenses, change of operator, the addition of species to existing licenses, and appeals. The Department of Fisheries and Aquaculture provides licensing policies and procedures to the Board to guide this process. The Board makes recommendations to the Minister, and the Minister makes the final decision on all licensing matters.

For additional information regarding licensing policies and procedures, please visit the Department of Fisheries and Aquaculture website:
http://www.fishaq.gov.nl.ca

See also the following link to the Fish Processing Licensing Policy Manual:
http://www.fishaq.gov.nl.ca/licensing/Licensing_Policy_Manual_2010.pdf

Preparing live mussels for the market.

1.5 Composition of the Board

The composition of the Board is as follows:

1. The Board shall consist of five members to be appointed by the Lieutenant-Governor in Council, and who shall serve at pleasure.

2. The membership of the Board shall include:
   - One member who shall be designated by the Lieutenant-Governor in Council as the Chairperson of the Board; and
   - One member who shall be elected Vice-Chairperson of the Board by an internal vote of the Board.

During 2011, the terms of appointment for three of the Board members expired. Prior to the expiration, the Board was comprised of Ted Lewis (Chairperson), David Bonnell (Vice-Chairperson), Ida Powell, Shirley Shea and David Woodman. Three new Board members will be appointed in 2012.

CONTINUING BOARD MEMBERS IN 2011 WERE:

Ted Lewis (Chairperson)

Ted's roots stem from the small community of Conche, a traditional fishing village on the eastern side of the Northern Peninsula. His ties to both the land and the sea are responsible for his profound respect for nature and the environment. The sustainability of the environment is critical not only to the success of his business interests and lifestyle but to the two communities where he currently resides, his employees and their families, as well as to businesses in the region.

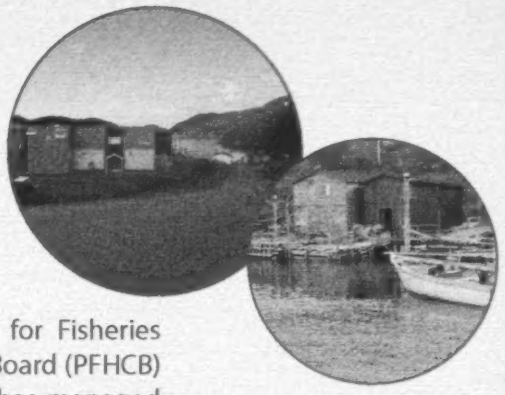
Ted's education, work, volunteer and family experience have provided him with a broad perspective which enables him to contribute in a meaningful way to any organization of which he is a part. In 1995, he turned his focus to forestry, bringing with him skills acquired from his time in both the fishing and forestry industries; lessons learned from employment and self-employment; and ingenuity gained from life choices. With few resources, he set up a logging business that had no cutting allocations, no harvesting equipment and limited resources. Within ten years, the business became one of the strongest, most vital parts of our primary forest industry. He went on to become the owner of the largest sawmill operation in the region and is currently President of Holson Forest Products Limited.

Mr. Lewis was appointed Chairperson of the Fish Processing Licensing Board in 2009.

David Woodman

David was born in Bishop's Falls, and later moved to Harbour Main. He served on the Harbour Main Town Council for 17 years, including 3 years as Deputy Mayor and 9 years as Mayor. During the 1990s, he operated an independent garage in Holyrood. He has since retired.

Mr. Woodman was appointed to the Fish Processing Licensing Board in 2009.



OUTGOING BOARD MEMBERS IN 2011 WERE:

David Bonnell (Vice-Chairperson)

David retired as Head of the School of Fisheries at the Marine Institute and is the author of *Quality Assurance in Seafood Processing* (1994). He is a member of the Torngat Joint Fisheries Board and a past Board member with the Canadian Centre for Fisheries Innovation (CCFI), the Professional Fish Harvesters Certification Board (PFHCB) and the National Seafood Sector Council (NSSC). Mr. Bonnell has managed many projects for local fishing industry organizations and has held quality assurance positions with two Atlantic seafood processing companies. In addition, he served as Executive Director with the Seafood Management Education Association in St. John's.

Mr. Bonnell was appointed to the Board in 2005 and was reappointed in 2007. In 2009, he was elected Vice-Chairperson of the Fish Processing Licensing Board.

Ida Powell

Born into a fishing family and raised in a fishing outport, Ida married and relocated to Charlottetown, Labrador, in 1990. She immediately recognized an opportunity to help Charlottetown prosper. Her lifelong ambition was to do good for other people and she turned that ambition into action through her involvement in numerous volunteer committees and functions. Through her grass-roots community activism, she was successful in securing a fire truck for the local fire brigade, and free community access to CBC Radio. She also fundraises for various organizations, including the local clinic, the Charlottetown Recreation Committee, the Janeway, the Annual Shrimp Festival, the Red Cross, and the Cancer Relay.

In addition to her many other activities, Ida has served as Mayor of Charlottetown, where she was able to put action to her passion for promoting economic growth and development. After her election to the Town Council in 1997, she spearheaded a team of volunteers who were successful in their lobbying efforts to secure $3.5 million to construct a water line to the $11 million shrimp processing facility. In the spring of 2000, the plant opened, supported by approximately 60 boats and employing more than 120 people from the southeast coast area.

Ms. Powell was appointed to the Fish Processing Licensing Board in 2005 and was reappointed in 2007.

Shirley Shea

Shirley was born and raised in a fishing community and has been exposed to the fishing industry all her life. She graduated from St. Pius X High School in Baie Verte and has managerial experience in telemarketing.

Ms. Shea was appointed to the Fish Processing Licensing Board in 2008.

1.6 Secretariat to the Board

The Department of Fisheries and Aquaculture's Licensing and Quality Assurance Division serves as the Secretariat to the Board. The duties and responsibilities of the Secretariat include, but are not limited to, all administrative functions, the review of all applications and the provision of background and other relevant information to the Board for use in its deliberations. Copies of all proposals and requests submitted to the Board are also provided to the Minister. The department's Fish Processing Licensing Policy Manual guides the Board in making recommendations.

The Director of the Licensing and Quality Assurance Division acts as the Recording Secretary for the Board. The Recording Secretary is responsible for preparing and distributing the minutes of all meetings, as well as compiling a record of the Board's recommendations. The record of recommendations is signed by the Chairperson or Vice-Chairperson of the Board and then submitted to the Minister, through the Secretariat, for review and rendering of a final decision on licensing applications.

You may contact the Fish Processing Licensing Board at the following address:

Fish Processing Licensing Board Secretariat
c/o Ian Burford, Director of Licensing and Quality Assurance
Department of Fisheries and Aquaculture
Government of Newfoundland and Labrador
30 Strawberry Marsh Road
P.O. Box 8700
St. John's, NL A1B 4J6

1.7 Physical Location/Regional Representation

Board meetings may be held at different locations throughout the year. Meetings are held to review applications or to respond to the request of any person asking for information related to an application.

Members of the Board are selected with a consideration of gender balance and regional distribution. Members are expected to have a general knowledge of, but not a vested interest in, the fishing industry. Members of the 2011 Board represented the eastern, western, and northern regions of the province. The Secretariat to the Board is located at the Department of Fisheries and Aquaculture's headquarters in St. John's.

1.8 Primary Clients

In delivering its mandate, the Board identifies individuals or groups whose needs have an influence on the Board's business. The Board identifies the following as primary clients:

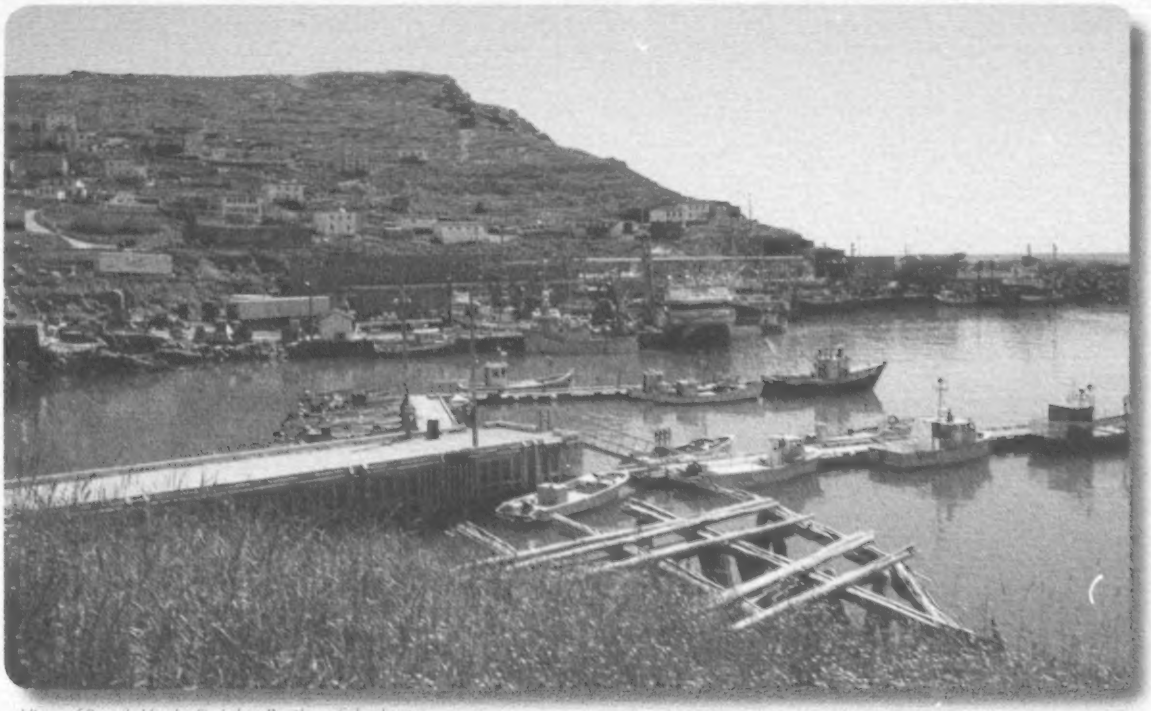
- The people of Newfoundland and Labrador;
- The Minister of Fisheries and Aquaculture;
- Fish processors; and
- Fish buyers.

1.9 Values

The Fish Processing Licensing Board practices the relevant core values and guiding principles followed by the Department of Fisheries and Aquaculture, as set out in the Department's Strategic Plan 2011-14 (refer to Appendix B).

1.10 Financial Information

The Fish Processing Licensing Board is funded annually by the Department of Fisheries and Aquaculture. This funding is used to cover travel costs, remuneration of Board members (according to Treasury Board guidelines), as well as any other miscellaneous costs associated with meetings. Where possible, the Board operates on a cost recovery basis through the collection of application fees.



View of Bay de Verde, Quinlan Brothers fish plant.

2.0 Report on Performance 2011

All fish processing applications and requests are reviewed by the Fish Processing Licensing Board. As stated in the *Fish Processing Licensing Board Act*, 10(2)(c), "The Board shall, after considering the application, make a recommendation to the Minister regarding that application, including its reasons for that recommendation." The Act also states in Section 11: "The Minister shall consider a recommendation of the Board made to him or her under paragraph 10(2)(c) and shall, following his or her decision with respect to the application, release both the recommendation of the Board and his or her decision regarding the application first to the applicant and then to the public."

The Board is responsible for conducting an evaluation of the applicant's proposal based on information provided by the Board's Secretariat, regional directors and other branches/divisions of the Department of Fisheries and Aquaculture, other government departments and agencies, as well as any responses received as a result of the proponent's public advertisement of the application. The Board has the ability to hold public meetings if it is deemed necessary. Finally, the Board will evaluate the application based on government policy and assessment criteria, taking into account all comments and information received from various stakeholders.

To accomplish its annual objective in 2011, the Fish Processing Licensing Board met to assess two new species requests, one change of operator request and three appeals. There were no new license or transfer applications submitted in 2011. Through diligent application of the fish processing licensing policy and guidelines, the Board contributed to increasing the efficiency of the fisheries sector. This work directly contributed to government's strategic direction to "strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province."

Issue: Fish Processing Licenses

Objective: The Fish Processing Licensing Board will have made recommendations to the Minister of Fisheries and Aquaculture on matters pertaining to fish processing licenses.

Measure: Recommendations made to the Minister of Fisheries and Aquaculture on matters pertaining to fish processing licenses.

1.1 Assessed applications and made recommendations as required for:
New licenses.

The Board reviewed no applications for new licenses in 2011. Therefore, no recommendations were made to the Minister regarding applications for new licenses.

1.2 Assessed applications and made recommendations as required for:
Change of operator on an existing license.

The Board reviewed one application for change of operator on an existing license, which was recommended for approval.

1. Hopkins and Quinton Fisheries Limited, Red Cliff: Application for change of name from *Edmund Quinton* to *Hopkins and Quinton Fisheries Limited.* The application was recommended for approval.

1.3 Assessed applications and made recommendations as required for:
Addition of new species on an existing license.

Adding a new species may utilize existing processing facilities capacity, contributing to improved efficiency and allowing the enterprise to be more competitive in the marketplace. However, adding a new species to an existing license must meet the criteria as set out in the Fish Processing Licensing Policy Manual in order to be recommended for approval. Examples of these criteria include, regional balance, resource thresholds, resource availability, location criteria and corporate concentration. In 2011, the Board received two applications to add new species to an existing license. Both applications were recommended for rejection.

1. Beothic Fish Processors Limited, New-Wes-Valley: Application for the addition of the species lobster was recommended for rejection.

2. Clearwater Seafoods Limited Partnership, Grand Bank: Application for the addition of the species sea cucumber was recommended for rejection.

1.4 Assessed applications and made recommendations as required for:
Transfers.

The Board reviewed no applications for transfers in 2011. Therefore, no recommendations were made to the Minister regarding applications for new transfers.

1.5 Assessed applications and made recommendations as required for:
Appeals.

An appeal is a process for requesting a formal change to an official decision. All appeals are directed to the Board for consideration. When appealing a decision, the applicant is not required to advertise. The request is directed to the Board when the license holder has lost a species authorization(s) due to inactivity (no reported production) or does not meet the minimum production requirements set out in the Fish Processing Licensing Policy Manual.

FISH PROCESSING LICENSING BOARD ACTIVITY REPORT 2011

The Board reviewed three appeals in 2011. All three appeals were recommended for rejection.

1. Gould's Fisheries Limited, River of Ponds: Appeal to reinstate a primary processing license for pelagics was recommended for rejection.
2. H. Hopkins Limited, Cow Head: Appeal to reinstate a primary processing license for pelagics was recommended for rejection.
3. Dorset Fisheries Limited, Norman's Cove-Long Cove: Appeal to reinstate a primary processing license for groundfish was recommended for rejection.

For a complete list of applications/appeals considered by the FPLB in 2011, see Appendix C.

3.0 Commitment for 2012

Objective: The Fish Processing Licensing Board will have made recommendations to the Minister of Fisheries and Aquaculture on matters pertaining to fish processing licenses.

Measure: Recommendations made to the Minister of Fisheries and Aquaculture on matters pertaining to fish processing licenses.

Indicators: Assessed applications and made recommendations as required for:

- New licenses;
- Change of operator on an existing license;
- Addition of new species on an existing license;
- Transfers; and
- Appeals.

Processing pelagics.

Appendix A

Powers and Duties of the Board

Powers and Duties of the Board

Under the *Fish Processing Licensing Board Act*

9. (1) **The Board shall**

a) consider an application for a fish processing licence which has been properly made to it, including an application for a new licence, a consolidated license or a transfer of licence;

b) consider an application made to it under this Act which it is authorized to consider;

c) consider a matter referred to it by the Minister, where that matter is one of general application which does not refer specifically to a particular fish processing license;

d) consider an application related to corporate concentration, merger and acquisition issues in the context of fish processing licensing matters; and

e) after considering a matter referred to in paragraphs (a) to (d), make a recommendation, including its reasons for that recommendation, to the Minister with respect to a course of action on that matter.

(2) **The Board may**

a) request that the Minister provide professional or technical assistance or advice required by it to make its recommendations to the Minister; and

b) generally, do those other things that are necessary to fulfil its mandate and make the required recommendations to the Minister regarding an application under this Act.

Appendix B

Values and Guiding Principles

Collaboration and Teamwork	In delivering the department's programs and services, each individual does so through consultation, partnership and teamwork with clients, industry stakeholders, and co-workers.
Communication	Each individual shares information, while respecting confidentiality requirements, with co-workers and industry stakeholders and on a timely basis.
Service to the Public	Each individual demonstrates respect for the public they serve through the following actions: timely and courteous responses to public enquiries; efficient and cost-effective delivery of programs and services; and identification of cost-saving measures wherever possible.
Respect	Each individual treats clients and co-workers in a courteous and considerate manner. They listen to and consider differing views and opinions and operate within the principles of a respectful workplace. Respect is demonstrated through the efficient and timely response to requests and questions.
Confidentiality	Each individual ensures information provided to the department on a confidential basis is respected and protected from disclosure.
Recognition	Each individual recognizes, appreciates and celebrates co-worker accomplishments which contribute to the department's goals and objectives.
Sustainable Development	Each individual works toward the sustainable development of the province's renewable fisheries and aquaculture resources.

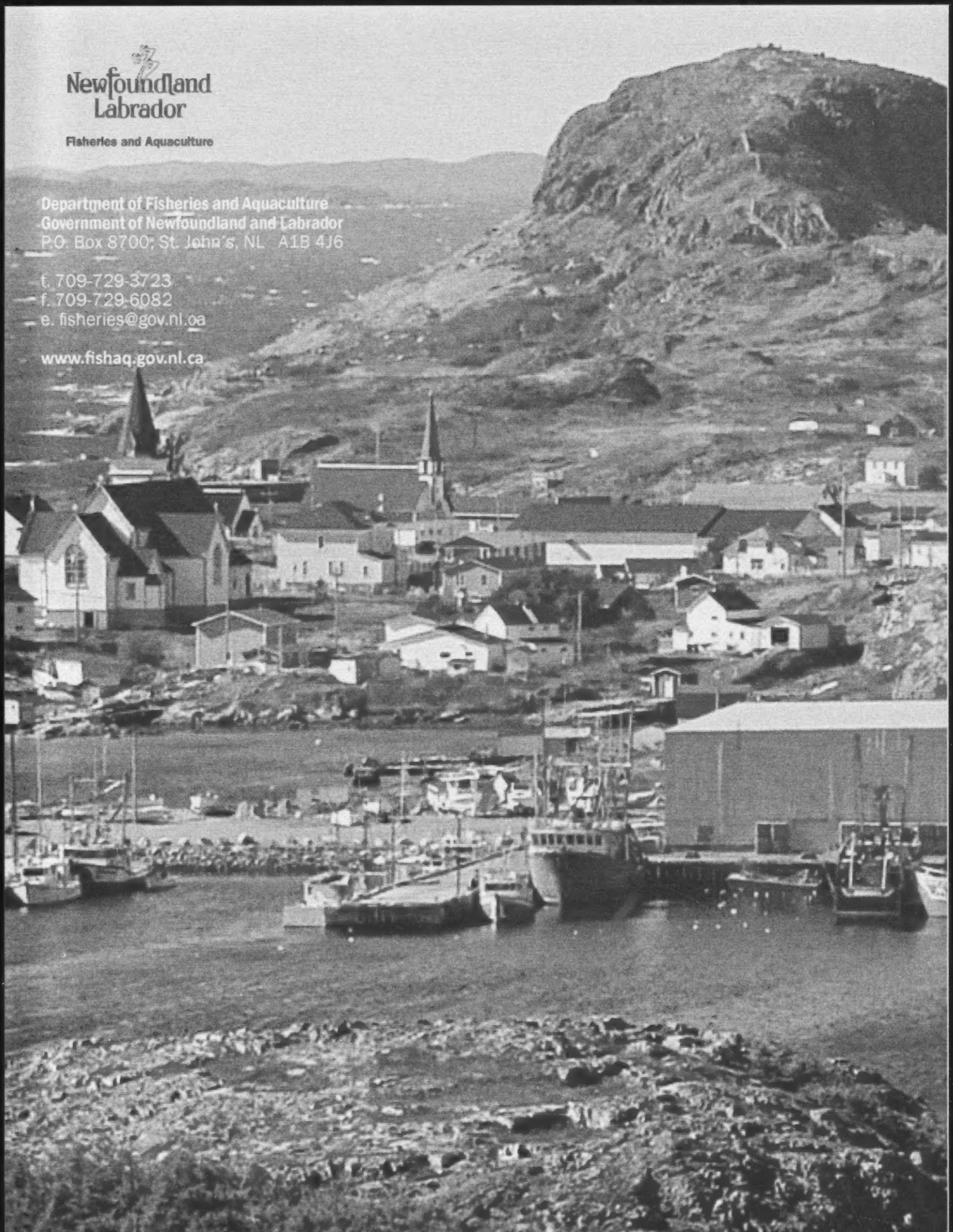
Appendix C

Applications/Appeals Considered by the Fish Processing Licensing Board in 2011

Applicant	Location	Application Request	Date of Application	Application Status		
				Species considered	Licensing Board Recommendation	Ministerial Decision
New License						
There were no new license applications reviewed by the Board in 2011.						
Change of Operator on an Existing License						
Hopkins and Quinton Fisheries Limited	Red Cliff	Change of Name from *Edmund Quinton* to *Hopkins and Quinton Fisheries Limited*	14-Sep-10	Lobster	Approved	Approved
New Species						
Beothic Fish Processors Limited	New-Wes-Valley	Addition of Species	12-Feb-11	Lobster	Rejected	Rejected
Clearwater Seafoods Limited Parnership	Grand Bank	Addition of Species	16-Aug-10	Sea Cucumber	Rejected	Rejected
Transfers						
There were no applications for transfers reviewed by the Board in 2011.						
Appeals						
Gould's Fisheries Limited	River of Ponds	Reinstate Primary Processing License	28-Mar-11	Pelagics	Rejected	Approved*
H. Hopkins Limited	Cow Head	Reinstate Primary Processing License	11-Jan-11	Pelagics	Rejected	Rejected
Dorset Fisheries Limited	Norman's Cove-Long Cove	Reinstate Primary Processing License	30-Mar-11	Groundfish	Rejected	Approved*

Source: Fish Processing Licensing Board Secretariat

*The basis of the two appeals was a misunderstanding on the part of the industry regarding changes to minimum production requirements for primary processing license holders. On a further review of the initial announcement which established the increased production thresholds, it was determined that the qualifying period to be used to achieve compliance could have been misunderstood. On this basis, the appeals were then approved.



Newfoundland
Labrador

Fisheries and Aquaculture

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